



**Higher Education Summary
Proposed 2005-07 Operating Budget
Governor Gary Locke
December 16, 2004**

Overview

- Total proposed state general fund expenditures are \$26.154 billion and total available resources are \$26.247 billion. The remaining balance is \$93 million.
- The governor is proposing to raise \$504 million in new taxes on liquor and pop.
- The budget proposes \$1.3 billion in budget cuts, savings, and fund transfers (e.g. delaying increases in pension contributions, which will reduce 2005-07 costs by \$289 million, and transferring \$53 million of higher education maintenance costs from the state general fund to the Education Construction Fund).

Higher Education

- The governor is proposing \$259 million in policy enhancements for higher education. (In October, the Higher Education Coordinating Board recommended \$848 million in higher education policy enhancements. In December, the board scaled back its recommendations to \$400 million.)
- The proposed tax increases will fund increases in enrollments and improvements in financial aid.
- Resident undergraduate tuition may increase by up to 9 percent per year over the biennium. However, funding for the State Need Grant, Washington Scholars and WAVE financial aid programs assumes 5 percent tuition increases. If an institution increases tuition over 5 percent, it is required to increase institutional financial aid sufficiently to cover the impact to recipients of these programs.

- The budget proposes an increase of 7,126 FTE enrollment slots during the 2005-07 biennium, with 3,633 for the public two-year colleges and 3,493 for the public four-year colleges and universities.

General enrollments (CWU, EWU, WWU, and TESC only)	1,861
General enrollments (Public two-year colleges)	2,906
High-demand enrollments (Public four-year colleges and universities)	1,600
High-demand enrollments (Public two-year colleges)	727
Veterinary medicine enrollments (WSU)	32
TOTAL FTE Enrollments	7,126

The budget does not fund any additional general enrollments at the UW, WSU, or the branch campuses.

- The budget proposes \$138 million for salary and health care benefit adjustments for higher education faculty and staff. There is no additional state funding for faculty recruitment and retention, faculty salary increments, or part-time faculty salary increases. The public four-year colleges and universities are allowed to use funds from other sources (e.g., tuition) for additional faculty salary increases. The budget also directs the State Board for Community and Technical Colleges to spend \$7.2 million on faculty salary increments and \$2 million for part-time faculty salary increases, but provides no funding to cover these costs.
- An enhancement of \$50 million is proposed for financial aid. The State Need Grant enhancement assumes tuition increases of 5 percent, ensures that aid keeps pace with the proposed new enrollments, and covers a portion of current students who are eligible but unserved. The enhancement for the Washington Promise Scholarship increases the grant award to 75 percent of community college tuition (up from the current 51 percent) and expands eligibility to the top 20 percent of high school graduates (up from the current 15 percent).
- In the category of specific program improvements, the budget proposes \$5 million for research (UW and WSU); \$5 million for adult basic education (SBCTC); \$5 million for the job skills program (SBCTC); \$2 million for veterinary medicine (WSU); \$350,000 for the Jefferson County Pilot Project (HECB); and \$200,000 for Washington Center Internships (HECB).
- Two items of interest to the HECB that were not included in the governor's recommendation are the statewide transfer advising system (\$1.6 million) and the student-level data system (\$500,000).